

**DRAFT MINUTES  
CITY OF NEVADA CITY  
SPECIAL AND REGULAR CITY COUNCIL MEETING  
August 12, 2009**

➤ **SPECIAL MEETING**

**Call to Order at 6:00 pm.**

**Role Call:** Reinette Senum, Mayor; Robert Bergman, Vice Mayor  
Barbara Coffman, Councilmember; Sally Harris, Councilmember  
**Absent:** David McKay, Councilmember

**Staff Present:** Gene Albaugh, City Manager; Bill Falconi, City Engineer; Jeff Massey, City Attorney; Sam Goodspeed, Fire Chief; Cindy Siegfried, City Planner

**Other City Elected Officials Present:** Niel Locke, City Clerk

**PLEDGE OF ALLEGIANCE:** Lead by Mayor Senum

Mr. Albaugh said it will be necessary to break from the special meeting about 6:55 because the public hearing for the urgency ordinance on the medical marijuana moratorium is scheduled for 7:00pm. and there must be a 4/5 vote for passage. David McKay will be present by phone from Maine

- **Subject:** Workshop to hear a presentation by Stan Hoer of Hurst Ranch LLC to introduce his project known as the Hurst Ranch Estates, located on a 91.63 acre parcel off Gracie Road east of Nevada City. The project proposes a 75 lot residential subdivision and annexation to Nevada City.  
**Recommendation:** Direct staff

Planner Siegfried said this parcel is within Nevada City's Sphere of Influence and the west side of it borders the city limit line. The County zones the parcel RA-3 with a 3-acre minimum with a planned development combining district that allows flexibility, and the City's General Plan designates it as Estate with a 1 to 3-acre minimum, also with planned development. Annexation is proposed in order to obtain city sewer service, and NID would provide water. The City General Plan has this property slated for annexation in 2018 and about 10-parcels along Gracie, as well as possibly some on the west end, would require annexing whenever this annexation takes place. Mr. Falconi pointed these areas out on the map display. She said comments have been received from the Fire Chief, Public Works, City Engineer and also from LAFCo.

Planner Siegfried noted that the 2001 St. Francis Woods project and the later Boardman Project both were troubled by the lack of secondary access and that staff recommended EIR's for both those projects. This new project proposes a secondary access to Silva Road for emergencies only. Ms. Siegfried said staff has not studied the exact number of units or details of the home layout but Mr. Hoer was given the City's requirement for second dwelling units and low income housing.

Stan Hoer said the emergency exit gate is to minimize routine traffic onto Silva and would be a breakaway gate that only project residents would be aware could be easily broken. The Council agreed that the right to gate the property – whether it is the grantor of the easement or the project owners – is unclear and would have to be resolved.

Mr. Hoer said they adjusted the original plan for 30 3-acre estate-type parcels to 70 parcels to adapt to the City's Housing Element requirement for low income housing. The historic family homestead is within the

30- acres of open space, and many trails are provided throughout. He said he has not gone door-to-door to the neighbors to discuss the project. He referenced the traffic study he had done in October 2008. Mr. Falconi said traffic is problematic.

Mayor Senum opened the public hearing at 6:28 pm.

- 1.) Kathleen Fealy, owner of a parcel adjacent to the project, said she is not opposed to appropriate development but not overdevelopment, and this is not appropriate. She said she will be submitting a letter to the Council explaining her extensive concerns. She asked if she would be able to retain the use of the septic system if her parcel is annexed. Mr. Falconi replied that that has been the City's policy in the past, until the system fails, at which time sewer hook-up is required, but LAFCo will be consulted now.
- 2.) John Yuncker, 12324 Melanie Court, asked if this property is in the flood plane and will flood frequently, will construction stop and the project sit unfinished for years, and will an additional housing surplus further drive down local housing prices.
- 3.) Susan Mahaffy, 13425 Gracie Rd, said this area is being bombarded. She can't even imagine the additional noise and traffic this project will bring, added to the traffic when Gracie Commons is complete. She said she can't sell or rent her house because the value has dropped so much due to the building okayed for her area. She asked the Council to be careful about breaking Nevada City's rules by annexing before 2018.
- 4.) Hans Kawaletz, 13315 Gracie, said the traffic coming down from Banner Mountain is horrendous and he can't see 75 more units going in, with the number of car trips it will bring. He really opposes this project.
- 5.) John Givens, 11650 Banner Mountain, said as a school bus driver he hopes the traffic studies pay specific attention to the safety of kids waiting for the bus and the impact on schools.
- 6.) Pat Chesnut, owner at Pinecrest Condominiums, said the emergency access road from Pinecrest has never been maintained and now 6-foot pine trees grow on it, so provisions for continuous upkeep of any access road must be part of this project.
- 7.) Laurie Oberholtzer, 310 Nevada St., distributed a letter to the Council from City residents that requests development into no more than 30 parcels in order to minimize traffic. They would prefer annexation to adhere to the 2018 plan because other properties should be given priority, and open space at the back should be protected with units clustered to the west. They also believe the proposed emergency road is unsafe.
- 8.) Jerry Bloom, 302 Park Ave., said traffic considerations alone should kill this project because it would have a greater impact than Deer Creek Park II, plus its impact on recreation and quality of life would be more significant. He asked what is the benefit to Nevada City to annex and increase the number of units?
- 9.) Charles Durrett, 507 Redbud, suggested the City take a regional perspective of this area and consider the walkability to downtown. This plan is completely auto-oriented, but some designs could result in half the car-trips per day. The City should look at the design criteria to coordinate proposals as they come in and be proactive in creating sustainable designs that consider the village character and history of the City.
- 10.) Erin Menet, 960 Gold Flat, said this area is being crushed with development, the outlet for this is on a horrible corner and all traffic goes onto Gold Flat. She asked the Council to stick to the General Plan for 30 units.

**Action:** Motion by Coffman to continue the special meeting on Hurst Ranch until 7:30. **Second** by Harris.  
– Motion Approved ( 4 - 0 ) – McKay, absent

➤ **REGULAR MEETING**

**Call to Order at 7:00 pm.**

**Role Call:** Reinette Senum, Mayor; Robert Bergman, Vice Mayor  
Barbara Coffman, Councilmember; Sally Harris, Councilmember. David McKay present by phone.

**Staff Present:** Gene Albaugh, City Manager; Bill Falconi, City Engineer; Jeff Massey, City Attorney; Sam Goodspeed, Fire Chief; Cindy Siegfried, City Planner; Lou Trovato, Police Chief

**Other City Elected Officials Present:** Niel Locke, City Clerk; Andy Howard, City Treasurer

**PUBLIC HEARINGS**

- **Subject:** Consider an **Uncodified Urgency Interim Ordinance Extending the Moratorium on the Approval of Medical Marijuana Dispensaries for a period of up to one year.**

**Recommendation:** Motion to approve Ordinance 2009-05.

Mayor Senum explained that the moratorium is over today so in order to extend it, which requires a 4/5 vote, this item has been moved up on the agenda to allow Councilmember McKay in Maine to participate. More opportunity to discuss medical marijuana dispensaries will take place later in the meeting.

Vice Mayor Bergman outlined the process he used to explore the complexities of the law and what other jurisdictions have done to solve problems. He noted that his view of the intent of State law is to facilitate access for medical needs rather than promote a business opportunity, so the not-for-profit aspect is non-negotiable. He stated that it is not the Council's place to discuss the value of medical marijuana, but to decide if a dispensary is well-suited to Nevada City. He concluded that more time is needed to analyze the issues based on fact and not on emotion.

Councilmember Harris clarified that if the Council doesn't extend this urgency ordinance tonight it will mean the City will have no control over applicants wanting to open dispensaries, but this ordinance will allow time for a careful deliberative process – including public input and the possibility of banning them completely.

Mr. Massey explained that under State code, urgency ordinances can be extended twice, so this will be the last one.

Councilmember McKay said he believes it would be a dereliction of duty not to extend the moratorium because the City would then have no say over dispensaries. If the City is going to have one, it needs to be well-thought out where all citizens feel they have been heard and that this is the right thing for Nevada City. He said he supports extending the moratorium.

Councilmember Coffman said this draft is probably the longest that exists anywhere for any city and the process does not have to drag out forever.

Vice Mayor Bergman said available staff time must be considered, and suggested extending it as long as possible but working as expeditiously as possible. He noted that marijuana is not unavailable to those who need it and it is essential for Nevada City to develop its own guidelines apart from the Attorney General's.

- **Action:** Motion by Harris to adopt Ordinance 2009-05 – An Uncodified Urgency Interim Ordinance of the City Council of the City of Nevada City Extending the Moratorium on the Approval of Medical Marijuana Dispensaries for one year until August 11, 2010. Second by McKay.

**Discussion:** Mayor Senum opened the Public Hearing at 7:17 pm.

- 1.) Ralph Swenson, Superintendent of Nevada Union High School District, said educators have concerns about drug use among teenagers in the community and would like to be in discussion with the Council and staff as they look at this issue. He offered to make data and school district staff available, particularly the implications a dispensary might have on the population of young people.
- 2.) Holly Hermansen, County Superintendent of Schools, said she supports extending the moratorium for the purpose of gathering more information. She said the county office has received a large federal grant called *Safe Schools, Healthy Students*, which meant collecting extensive data, much of it surrounding this issue. She offered to share it and participate in any discussions.
- 3.) John Stuebel, no address, said if there is already a problem with drugs in the schools without a dispensary in town, then that is not an issue. He asked, since the State law was passed several years ago, why the City hasn't already done studies, and if it would help to open the dispensary and then do the studies.
- 4.) Tom Lasetti, physician at Sierra Nevada Hospital, said he supports the moratorium extension for 1-year, and the while the AMA supports further study of the medical uses, other drugs are more successful at treating the symptoms for which it is prescribed, so there is no reason to use a smokable agent.
- 5.) Susan Reynolds, Silva Ave., said the staff report and maps were just posted on the website 12-days ago so the moratorium will allow study and discussion and input from the community because it deserves great care.
- 6.) Fox Jantz, 10535 Silva, said extending the moratorium for a short time is okay, but a year is too long and unfair to the people who need it, so maybe work a little faster and finish in 6-months.
- 7.) Dr. John Rose, anesthesiologist at Sierra Nevada Hospital, agreed with extending the moratorium and cited the need to assess the actual need for medical marijuana in the county. Some research shows that it might be a good treatment for very specific conditions but the number of those cases might be minimal.
- 8.) Jerry Bloom, 302 Park Ave., said he is not in favor of extending the moratorium because the Council is being asked to do something that is legal so let the market decide.
- 9.) Kathleen Fealy, resident, said the moratorium should be at least a year because the public is not really knowledgeable about medical marijuana and she would like to know the secondary effects such as danger from those driving under its influence.

Mayor Senum closed the Public Hearing at 7:29 pm.

Councilmember McKay said it is typical for the State to impose unfunded mandates and in the same sense these marijuana laws were passed with only vague boilerplate guidelines leaving it to local jurisdictions to craft the details, so it is important to take the appropriate time to do what is best for Nevada City.

**Action:** Motion by Bergman to read the title only of Ordinance 2009-<sup>05</sup>~~XX~~. Second by Harris.

– Motion Approved ( 4 - 0 ) – Coffman, abstain

Mr. Massey read the title.

Mayor Senum restated the motion to adopt Ordinance 2009-<sup>05</sup>~~XX~~ to extend the moratorium for one-year.

– Motion Approved ( 4 - 1 ) – Coffman, No

**Action:** Motion by Coffman to continue the regular meeting of the City Council until after the conclusion of the Special meeting on the Hurst Ranch project. Second by Harris.

– Motion Approved (4 - 0) – Mc Kay, absent

Mayor Senum adjourned the regular meeting and reopened the Hurst Ranch Public Hearing at 7:36 pm.

➤ **SPECIAL MEETING**

11.) Linda Rackmel, 10443 Park Ave. Ext., said her property is on Little Deer Creek and the last time there was a project upstream the creek was to be protected but it wasn't. What will be done this time?

12.) Abigail Givens, 11650 Banner Mountain, said that as complex as this project is, with so many impacts on the entire city, she hopes the City demands a full EIR to address all the issues such as providing sewer service. To call this a narrowly focused EIR and allow studies from various sources is unacceptable.

13.) Gail Damsky, 310 Nile, said more data is needed for a correct decision. Her concern is the traffic during an emergency going onto Silva to Nimrod, then onto Nile and merging into the intersection on Sacramento. Also, this parcel is a beautiful area and there has not been sufficient study of the affect on birds and animals.

14.) Glenda Zanone, City resident, said the impact on City recreation from project residents has not been addressed, and while the project will have trails it will not have ballparks and a pool. She is very concerned about the impact on Little Deer Creek because new impervious surfaces will cause a lot of runoff.

15.) Roger Hicks, no address, cited a wetlands area on the same side of Little Deer Creek as the development that needs to be protected and that issue alone warrants a full EIR.

16.) Tim Underwood, Silva Ave., said the easement agreement he signed specifies a locked gate between the development going to Silva but there is a question of what kind of a gate—if it will be a knock-down gate.

17.) Harry Bennett, representing owner of 529 Silva, said that owner has the right to gate in the agreement.

Mayor Senum closed the Public Hearing at 7:45 pm.

Councilmember Harris said it is extremely relevant that in the City's sphere of influence and annexation plan this area is scheduled for annexation in 2018 to allow various areas of town to feather in over time. With the Gracie Commons, Arashi mini-storage, plus an additional Arashi project, this is already a greatly impacted area. She suggested saving Mr. Hoer additional money, as well as everyone else's efforts, by making a decision that this project needs to wait until 2018 as the plan approved by LAFCo specifies.

Councilmember Coffman said she is not sure the project needs to wait until 2018, but certainly several more years because it is not appropriate at this time due to the impact to this area from the developments already sited. This project would create a huge amount of traffic, and Deer Creek Park II hasn't really even started to add traffic to the area yet, so any traffic study should include that over the next 4 to 5-years. She doesn't see a breakaway gate as a solution to the severe secondary access problems because it would not be honored by those who want in, and during the panic of a fire those inside may not believe it is a way out. Also the layout with long, looping one-way roads creates hazards, and with this many units planned, adds too many cars.

Vice Mayor Bergman said his concern has been the lack of communication by the developers with the neighbors. They have now spoken up and no one spoke in support of the project or annexing to the City.

Mayor Senum agreed that this is not the time for a project of this size, with its impact on the environment and traffic congestion.

Regarding what would keep the applicants from applying directly to the County, Mr. Falconi said the City Council would have to grant access to Silva, plus all impacts would be on city streets unless drivers went back over Banner Mountain. He also noted problems if septic systems were placed directly adjacent to City limits, when the City sewer system has the capacity to add them, and septic systems would tend to degrade Little Deer Creek anyway, so applicants would have to come to the City for approval.

S.R. Jones, Executive Director of Nevada County LAFCo, said the County is accustomed to occasions where cities ask to move their sphere horizon to bring in an area earlier than planned. If it is considered an inhabited annexation – meaning more than 12-registered voters reside in the area – and if 25% of those voters protest the annexation, she said it would be subject to an election of the voters in that area..

Regarding the City's ability to prohibit a new road from connecting to an existing City street, Mr. Massey said it is within the discretion of the Council if there are certain issues such as increased traffic.

Ms. Siegfried said staff has reviewed the items submitted, such as the traffic, archeological and biological studies, and have delineated the constraints of the site, such as the slope and drainage, so those studies were not distributed to the Council, and they would be addressed in depth under any environmental review.

Mr. Falconi stated that the traffic studies show that about 65% of the traffic from the site would impact City intersections that are already the most congested – level F – during peak hours.

Council members agreed that this is not an appropriate time for a big development in the proposed area, considering secondary access and additional traffic issues plus lack of support from neighbors, and staff should not spend time to look at annexation now.

**Action:** Motion by Harris to adjourn the Special meeting and reconvene the Regular meeting. Second by Coffman.

– Motion Approved ( 4 - 0 ) – McKay, absent

Mayor Senum announced a short break and reconvened the regular meeting at 8:10 pm

➤ **REGULAR MEETING**

**BUSINESS FROM THE FLOOR:**

- Dianna Hill, owner of the Chief Crazy Horse, asked the Council to advocate for her as she goes through the 5 to 6-month process of trying to get the correct licensing and she has been told to close the kitchen in the meantime. She presented the Council with a petition and asked for fair and equitable treatment from the community and the Alcohol Beverage Control agency.

- Niel Locke, representative of Nevada City on the steering committee for the California Preservation Foundation 2010 conference, said the leadership has decided to move the conference dates to May 12<sup>th</sup> through the 15<sup>th</sup> in anticipation of the possible Amgen Bike Race scheduled tentatively for May 16, 2010.

**1. COUNCIL MEMBER REQUESTED ITEMS AND COMMITTEE REPORTS:**

- Councilmember Harris, reporting on the NCEET meeting, said the ad hoc committee on directional and street signage will be presenting a progress report to the Council, probably in December.

- Vice Mayor Bergman said the ERC meeting discussed the proposal submitted to the State for a significant broadband project to put a series of large towers around the County for easier access to high speed internet.

- Vice Mayor Bergman said today's well-attended meeting of the Calanan Park Committee debated whether to continue the process to bring a preliminary report to the Council, or, at the suggestion of Chuck Durrett, to step aside to have a more open session to solicit more community sponsorship and refer the redesign out to a series of architects. Since the committee was nearly evenly divided, it was decided that, if Vice Mayor Bergman requests, the matter will be agendaized for a future meeting.

2. **CONSENT ITEMS:**

- A. **Resolution 2009-45 – Authorizing Mayor to Sign Notice of Completion on Valley Street Storm Drain & Sidewalk Project.**
- B. Police Department Report for June, 2009
- C. Fire Department Report for July, 2009

**Action:** Motion by Coffman to approve the Consent Items. **Second** by Bergman.  
– **Motion Approved Unanimously ( 4 - 0 ) – McKay, absent**

3. **APPROVAL OF MINUTES:**

A. **July 22, 2009 Regular Meeting**

**Action:** Motion by Coffman to approve the minutes of July 22, 2009. **Second** by Harris.

**Discussion:** Bergman requested that on page 4, *should* be changed to *could*. Harris requested that on page 7, *though* be changed to *tough*, page 8 change *do not prohibit logos* to *are silent on the issue of logos*, and add *precluding logos*, and page 9 D, add *The Council requested it be part of the August 26<sup>th</sup> meeting*.

– **Minutes Approved ( 4 - 0 ) – McKay, absent**

B. **July 27, 2009 Special Meeting**

Not yet distributed to Council

4. **DEPARTMENT REQUESTED ACTION ITEMS AND UPDATE REPORTS:**

None

5. **OLD BUSINESS:**

- **Subject** Review draft of proposed Medical Marijuana Dispensary Ordinance  
**Recommendation:** Direct staff

Vice Mayor Bergman suggested holding a workshop as soon as possible that he would be willing to for interested parties on both sides in a forum allowing discussion longer than the 3 minutes provided in a Council meeting, and that no staff time would be involved. He noted that the draft ordinance to be discussed tonight is complex and not yet in final form, and it does not contain language negotiated with any applicant.

Mayor Senum agreed that there is much misinformation on both sides and a dialogue would be healthy, plus it may calm the controversy if people know there has been due diligence.

Councilmember Harris agreed that one Council member can have a meeting and invite the public to speak on any topic if it appears it would be helpful to the community. She suggested having all information available to the public as part of the packets or on the website very soon.

Councilmember Coffman said it depends on who is presenting the information in a workshop and what information they choose to present. She said she will advocate removing certain aspects of the draft during discussions at the Council table because it goes far beyond anything the City needs in an ordinance.

Vice Mayor Bergman said the most significant changes to the ordinance are:

1.) adding a not-for-profit section generally following the Attorney General's guidelines, meaning that excess revenue cannot be directed to some small group of individuals but goes toward programs, etc., because it is *not* a business opportunity but a means to get medicine to patients, 2.) specifying that the applicant should be a cooperative/collaborative group, following the intent of the state law – and not an individual – operating as a closed system for growing, distributing or managing where all members are patients or caregivers, 3.) inserting a sunset clause that defaults to a prohibition unless the Council acts to change it by June 30, 2010, and 4.) adding a 3-step application process beginning with police review, then moving to the Planning Commission with final evaluation by the Council. He noted that he did not look into suitable locations, or if there should be a significant fee accompanying an application.

Mayor Senum requested that the version with tracked changes be emailed to Council members.

Councilmember Harris summarized some of the provisions left in tact as: 1.) requiring a permit from the City, 2.) limiting dispensaries to one, 3.) suggesting the general location of either 7-Hills or Gold Flat, and 4.) allowing control of operations, such as the hours and days, storage, odors, etc.

Mr. Massey explained a Conditional Use Permit (CUP) as a land use permit required when an entity is to be located in a zone where it is neither a permitted use, nor a prohibited use, to be approved by the land use agency, which can be set as either the Planning Commission or the City Council.

Discussion ensued regarding the process if there is only one applicant, and whether approval is to be done by the Planning Commission so an appeal could be heard by the Council rather than going to court. Bergman said he would change the draft to reflect approval by the Commission if there is only one application.

Mayor Senum opened comments to the public at 8:52 pm.

1.) Tom Lasetti, physician and City resident behind Miners Clinic, said the presence of a dispensary in his neighborhood would have a deleterious effect on home values and he wouldn't want to see the stigma of a dispensary deter the recruitment of young physicians to the area because public opinion is important.

2.) Wanda Baggett, retired educator, cited the City website as stating the purpose of the ordinance is to promote the health, safety, morals and general welfare of residents, and said a dispensary will not achieve that end. She said the year-long moratorium will allow the public to become informed, and she asked where the labor and resources to conduct the extensive dispensary monitoring required will come from.

3.) Tobias Cole, 119 Grove St., said when his father was dieing of cancer, edible marijuana was better than the morphine prescribed because it relieved his anxiety and allowed him to remember visitors and conversations. He warned against discriminatory language in the ordinance.

4.) Harry Bennett, 425½ Spring St., said he hopes this keeps moving along. He showed a petition signed by people around town. He said he has been patient the last 3-months, but it started 12-years ago when Californians voted to permit medical marijuana, and for 6-years the laws have been in the Health and Safety code to allow it for qualified patients, and you can't get tinctures in Calanan Park.

5.) Susan Reynolds, 523 Silva, requested a timetable for the public to know what is available, and she requested the minutes be on the website to understand what the public is saying during hearings. She said people are basing decisions on Council discussions, and while management is important it is not what the public wants to know about. She said she had planned to request a workshop, so she will be there.

Mayor Senum closed the public hearing at 9:12 pm.



Vice Mayor Bergman said he will have a decision by the August 26<sup>th</sup> Council meeting along with a further iteration of the ordinance, and the workshop he suggested would be to help people understand why the Council makes their decision to either allow or ban dispensaries.

Councilmember Harris said she is very sensitive to people that have a need for medical marijuana, as is everyone she talks to, but banning a dispensary in the City does not prevent patients from getting it because there are other dispensaries, and if the quality is not there, such as cleanliness or organic production, people should demand it. Additionally, she noted that sharing of medical marijuana is completely legal between two people that each have scrips.

Councilmember Bergman said he agrees and his research indicates that an individual can belong to more than one medical marijuana club at a time. He said he will continue to work on draft revisions recreationally.

Mayor Senum said that with the Housing Element public hearing scheduled for the August 26<sup>th</sup> meeting, the topic of dispensaries will be revisited in September when more parents and school officials will be in town.

#### **6. NEW BUSINESS:**

- **Subject:** Consider proposed projects of American Rivers for the installation of stormwater management projects in the Yuba Watershed  
**Recommendation:** Direct staff

Ms. Siegfried reported that at the July 27<sup>th</sup> Special meeting, staff was directed to review the proposed projects with representatives from American Rivers and look at other ideas that might meet the stipulations of the grant they are applying for. She said a meeting between staff and Doug Hobbs, consulting engineer, visited sites and explored various ideas that were then decided would be unworkable at this time. She noted that projects at Pioneer Park, such as replacing the tennis court pavement with pavers or developing rain gardens, would not be feasible now because soils reports for past projects showed some soil contamination, plus concerns for creek erosion, would eliminate a categorical exemption. All of these would require an environmental review, and probably a mitigated negative declaration, which would take 30 to 60 days and go beyond the grant submittal deadline.

Mr. Falconi stated that staff spent about 30-hours and came up with some ideas that American Rivers and Mr. Taylor liked, and since more money may be coming for these kinds of grants, the City should begin preparing the environmental documents as time allows and as directed by staff.

- **Subject:** Consider Resolution 2009-XX – Approving Submittal of a Grant Application to the County of Nevada for Expansion of the Nevada County Narrow Gauge Railroad Museum Facility for an Estimated Project Amount of \$141,300.  
**Recommendation:** Motion to approve next resolution in order

Pulled, waiting for additional information

- **Subject:** Strategic Plan Update – July 24, 2009  
**Recommendation:** Review and File

Continued until September

- **Subject:** Report on recently approved State Budget impacts on Nevada City  
**Recommendation:** Review and file

Mr. Albaugh said the state did pass the suspension of Proposition 1A in order to borrow city, county and special district property tax revenues in FY 2009/10. The legislation also provides for the State Director of Finance to reduce the amount borrowed from agencies that demonstrate "extreme hardship," and Nevada City may qualify under: 1.) the amount of reserves left, and 2.) the impairment of the City's ability to provide basic levels of core public service. He noted that the total fiscal impact to Nevada City will be \$122,841, equating to about 8% of total projected property tax revenues, so the general fund balance will now be in a deficit position of \$71,634. The City will be reviewing all capital expenditures, including NID agreements. He also noted that in his experience in the 1980's, the money that was taken still has not been returned.

- **Subject:** Consider Resolution 2009-XX – Recognition of Exemplary Contribution and Service to the City of Nevada City.

**Recommendation:** Motion to approve the next resolution in order.

Mayor Senum read the resolution commending Jane Flickinger as she leaves her position as Planning Commission and City Council clerk, and presented her with a beautiful golden key to the City.

7. **CORRESPONDENCE:**

- A. Letter from Senator Sam Aanestad on passing the State Budget.
- B. E-mail from Diana Carolan, IS Manager – Update on the Nevada City streaming project with Granicus
- C. Sales Tax Update January through March 2009 Quarter

8. **ANNOUNCEMENTS:**

Mayor Senum said the Farmers Market is open again this Saturday from 8:00 am. until noon.

9. **CITY MANAGER'S REPORT:**

A. Launch of the new website is to be this Friday with new Council and Commission agendas already posted. Televised meetings will be streamed live and archived from that point forward once they are indexed, and available anytime by clicking on *Archives*.

B. Meetings to work out a MOU agreement between the City and NID discussed costs that would be for water actually used each month. Falconi said that when staff looked at the cost of Grass Valley's treated water, it was less than Nevada City's untreated water because of the standby costs. Ms. Harris suggested appointing a liaison to these discussions to avoid surprises at the Council table, and she volunteered for the post. Mr. Albaugh said the current, 30-year old agreement charges \$70,000 per year whether water is used or not and even the NID staff recognizes the inequity.

C. The Housing Element Public Hearing will be August 26<sup>th</sup> at 7:00 and filing for final certification is expected by August 31<sup>st</sup>, which will place Nevada City in the top 5% of state municipalities. Ms. Siegfried distributed binders of the revised sections and amendments for Council review and suggested that members meet with Tom Parilo and her to go over the changes.

- The Strategic Plan Update that was continued until September is also to include a prioritization of Mr. Albaugh's *TO DO* list.

10. **ADJOURNMENT:**

**Action:** Motion by Harris to adjourn the meeting at 9:46 pm. Second by Coffman.  
– Motion Approved ( 4 - 0 ) – McKay, Absent

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Reinette Senum, Mayor

ATTEST: \_\_\_\_\_  
Niel Locke, City Clerk